

Sault College of Applied Arts and Technology sault ste. marie

Course Outline

ACCOUNTING III

ACC 200-7

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TEXT: Intermediate Accounting - 2nd Canadian Ed., Meigs, Johnson, Keller & Blazouske

REFERENCE TEXTS: Principles of Accounting, Intermediate - Finney & Miller
Intermediate Accounting - Pyle & White

- AIM:
1. To round out the student's knowledge in General Accounting.
 2. To provide the student with the ability to make critical evaluations of accounting concepts.

GENERAL OBJECTIVES:

The student will be expected to know the following aspects of accounting on completion of this course:

1. the essential concepts of the accounting process.
2. the assumptions and basic principles on which the determination of periodic income and periodic reports of the financial position of a business are based.
3. the valuation and control concepts applicable to cash, marketable securities, receivables and liabilities.
4. the problems of accounting for and reporting on a firm's investment in inventories.
5. the accepted accounting procedures for handling plant assets, and the effect the various alternatives have on evaluating the financial position of a firm.

METHOD OF ASSESSMENT:

The following marking scheme will be used:

A	80-100%
B	70-79
C	60-69
I	less than 60%

No student will receive a passing grade in this course while any unit of instruction shows an "I" incomplete.

A student accumulating three "I's", and has attended class irregularly will be given an "R". He/she will subsequently be denied the opportunity to change his/her standing during the two week make-up period.

The final grade will be based on the following criteria:

Final test	40%
Assignments (4)	24%
Tests (4)	36%
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	100%

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<u>WEEKS</u>	<u>UNIT</u>	<u>TOPIC</u>	<u>ASSIGNMENT</u>
1-3	1	<u>Review of the Accounting Process</u> -development of accounting theory -accounting systems for journals and ledgers -trial balance and the location of errors -adjustments(the matching process) -cash vs accrual measurement of income -worksheets -closing procedures <u>Income Statement and Balance Sheet</u> -problems relating to income measurement -treatment of unusual items -types of income statements (minimum requirements of the companies act) -prior period adjustments -form and presentation of the balance sheet -standards of disclosure	2B-7 3A-4 4B-3
4-7	2	<u>Cash, Cash Flows, and Secondary Cash Resources</u> -composition of cash -cash budget and sales forecast -cash flows statements -controlling the cash handling procedures -accounting for temporary cash investments -balance sheet presentation of cash and marketable securities <u>Receivables</u> -valuation of receivables -revenue and non-revenue receivables -estimation of uncollectible receivables -treatment of discounts and allowances -assignment and sale of receivables -installment contracts <u>Current Liabilities</u> -defining current liabilities -payroll liabilities -liabilities arising from guarantees and warranties -contingent liabilities	5B-3 6B-5 7A-5

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<u>S</u>	<u>UNIT</u>	<u>TOPIC</u>	<u>ASSIGNMENTS</u>
	3	<u>Inventory Pricing and Control</u> -inventory procedures -inventory pricing methods -inventory items to be included and excluded -internal control -inventory management <u>Inventory: Valuation Methods</u> -obsolescence and deterioration problems -"market" and "lower of cost" definition -write downs of inventory -calculation of inventory using net realizable value -inventory valuation for long-term contracts -income tax considerations -disclosure and consistency of inventory valuation <u>Inventory: Estimating Techniques</u> -gross profit and retail method of estimating inventories -estimating, inventories from incomplete records -estimating inventories under various pricing methods -estimating cost of manufacturing inventories -inventories of supplies and short-term pre-payments	8A-4 9B-4 10B-3
11-14	4	<u>Plant and Equipments - Acquisition & Retirement</u> -determining applicable costs of plant assets -measuring cost of self-constructed plant assets -factors considered for distinguishing capital and revenue expenditures -lump-sum acquisitions -accounting for retirement, disposal and exchange of plant assets <u>Plant and Equipment - Depreciation and Depletion</u> -factors in estimating periodic depreciation -depreciation methods and management decisions -composite or group depreciation -depreciation policies and income taxes -depreciation procedures and records -estimating the depletion base -methods of depletion <u>Intangible Assets</u> -determining the cost of intangible assets -identifiable and un-identifiable assets -estimating amount of goodwill	11B-5 12B-4 13B-4